

BUDGET REVIEW COMMITTEE

OCTOBER 5, 2009

A meeting of the Budget Review Committee was held Monday, October 5, 2009 at 7:00 p.m. in the Aldermanic Chamber.

Alderman-at-Large Brian S. McCarthy, Chair presided.

Members of Committee present: Michael J. Tabacsko, Vice Chair
Alderman-at-Large David W. Deane
Alderman-at-Large Ben Clemons
Alderman Michael A. Tamposi
Alderman Mark S. Cookson
Alderman-at-Large Lori Wilshire

Members not in Attendance:

Also in Attendance: Mayor Donnalee Lozeau
Alderman-at-Large Fred S. Teeboom
Alderman Richard P. Flynn
Michael Gilbar, Chief Financial Officer/Comptroller
Stephen Bennett, Esq., Deputy Corporation Counsel
Donald Conley, Chief of Police, Nashua Police Dept.

COMMUNICATIONS - None

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

Chairman McCarthy

The Mayor has asked if we would oblige by taking R-09-243 up first.

**MOTION BY ALDERMAN TABACSKO TO GO OUT OF THE REGULAR ORDER OF BUSINESS
TO TAKE UP R-09-243**

MOTION CARRIED

R-09-243

Endorsers: Mayor Donnalee Lozeau
Alderman-at-Large Steven A. Bolton
Alderman-at-Large Brian S. McCarthy
Alderman Jeffrey T. Cox
Alderman Michael J. Tabacsko
Alderman Richard P. Flynn
Alderman-at-Large Ben Clemons
Alderman-at-Large David W. Deane

**RELATIVE TO THE APPROPRIATION OF \$1,000,000 FROM ACCOUNT #299-00
UNDESIGNATED FUND BALANCE” INTO ACCOUNT #581-99985 “SCHOOL
DEPARTMENT – BUDGET ADJUSTMENT” (\$850,000) AND ACCOUNT #981-5375
“SPECIAL EDUCATION EXPENDABLE TRUST FUND” (\$150,000)**

Mayor Lozeau

Thank you Mr. Chairman. I appreciate the opportunity. R-09-243 as you are all by now very familiar with, is what I think takes us to the next step relative to the issues surrounding the school shortfall.

MOTION BY ALDERMAN TABACSKO TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Mayor Lozeau

Thank you. The first step was what we did for FY09. I believe that this is the second step, which had multiple parts. The first part, from my perspective and I would venture a guess that it is shared with this group, was for the School Board to work with their administration and make the cuts that they could in the costs that they thought would allow them to still provide the educational services that they believe were imperative, and then let us know what that difference was. They have cut about \$2.6 million in costs.

When you think about the size of that number clearly it is a huge number, and based on that number, they was still \$850,000 more that needed to be made up for the shortfall. On top of it, we are not really certain whether that is the end of it. That is just their best work at the time. The Superintendent and the School Board and others working with the city CFO have been looking at the problem.

The third part of it is what they reported out last week in their board meeting, which is how did this happen and what does this mean. From my perspective, the fourth part is how do we make sure it doesn't happen again.

Because we have the Charter provision that says that once the CFO understands that there is a projected deficit that we need to take action that is why this is here before you now. The \$150,000 that I am suggesting go into the special education contingency account is a way of showing some good faith that we understand that special education is something that nobody can really estimate with any certainty. A single student could have a huge impact on what those dollars are. That fund currently has \$4,000 in it. With this \$150,000 it may not be enough or as much as they should have in that contingency, but it is a way to set that stage to say this is what we should look at.

As all of you are all too familiar with, the issues surrounding catastrophic aid, the money that was spent, and the money that came in and whether they should be reimbursed or not reimbursed, whether those expenses were paid or not paid, is going to keep coming back every year until we determined a different way to handle that, and it is going to have an impact on the Cap and other things that we are making decisions on as we pass our budgets.

This resolution, while the language is not in it, I have made it clear and I believe that the School Board, and I did present to them last week and they voted in favor of this proposal with two votes opposed, understand that it is my expectation that reimbursement for catastrophic aid will come into the city and be used as part of our tax rate setting revenue and will no longer be used, if we can budget appropriately, to be you got reimbursed at 70% or you got reimbursed at 90%, that moving target. I am hopeful that we can put money in their contingency, have them budget a little more closer to what they expect rather than what they expect to come back in reimbursement. I

think that will help set the stage for stronger financial principals in determining where they are going with their budget.

As I said, I wish I could say to you that if we do this we are done. I don't think that would be fair to say, but I do believe that this is a reasonable approach, and I do think that they have done what they can do in this current fiscal year to cut all of those items, again \$2.6 million worth. I am afraid if they tried to cut another \$850,000 that the delivery of education to our students would be severely impacted. That is why I have this for your consideration tonight.

Alderman Tabacsko

If I could, through you to the Mayor, that piece, the expendable trust fund piece, just so I am clear on that, what we are proposing to do here is we set this expendable trust fund up with this money now, but we are not anticipating feeding this with the special education money in the future as it comes back in. That is going to go directly on to the city side of the ledger. Am I hearing that correctly?

Mayor Lozeau

I believe, and I know that many on the School Board and I know that the Superintendent agrees, that the reimbursement of catastrophic aid money from the state should come in as a revenue to offset the tax rate when we are doing our budget process and closing our books at the end of the year when it comes in. Again, remember it is a year delayed. I am not opposed to the idea of determining if special education money that we may earmark at other times be put into the expendable trust fund. I have not yet sat with them to determine where we might find money to put in that fund. In years past, there were surpluses in the school budget at the end of the year similar to, and I don't mean to minimize the students, but similar to the snow fund, welfare fund, and things like that that we put aside for those things we can't anticipate. It makes sense to me for them to have some contingency. That is what I am proposing, and this was a way to demonstrate to them a little bit of good faith on my part to say it is my intention to make sure that there are some dollars in that fund going forward, and for now this is all I can offer to them at this stage.

We are so early in the budget year I am hesitant to start trying to take more money out of undesignated fund balance or any of those other potential sources until we get later into the budget year and determine what makes sense then.

Chairman McCarthy

I guess I am not sure I heard an answer to what I think the question was, which is there are two ways we can fund the reserve fund; one is whenever we get money from the state roll it into the reserve fund and two is when we think it is appropriate to put money in the reserve fund to do that by special action at that time. I think you are proposing the second of those.

Mayor Lozeau

I am, and I am sorry I did think I said that. I intended to say the state money would go into the tax rate setting and any other money during the year that we might think appropriate to put in there we would appropriate it then.

Chairman McCarthy

Okay so we would simply consider the state reimbursement as revenue to the general fund.

Mayor Lozeau

Correct.

Chairman McCarthy

And use it in the offset in the following year.

Mayor Lozeau

Right. I think counting on it in the operating budget is bad budgeting.

Chairman McCarthy

Counting on it in offsetting the tax rate is probably equally fraught with peril because we don't know whether we are going to get it or not, but I do agree with you that trying to budget based on what we are going to get from the state is unpredictable.

Mayor Lozeau

Using it in the end allows it to be I think used for more appropriate purpose seeing we have already covered the costs associated with it.

Alderman Tabacsko

On that side of it, the initial expenditures that this is reimbursement for, it is always a year behind, in this current year's budget that we are already starting up behind the 8 ball on, is there sufficient funding for what will end up becoming catastrophic special education expenditures that the school district is going to be able to get through this school year..

Mayor Lozeau

I am not prepared to say that there is money available. I know that this expendable trust fund had \$4,000 in it, and I don't think that would do it.

Alderman Tabacsko

Certainly not.

Mayor Lozeau

Putting this \$150,000 in there at this stage I think makes a difference, and we will see how we go as the year progresses.

Alderman Tabacsko

Thank you.

Chairman McCarthy

Even with \$150,000 in there the additional of a single student with placement requirements could easily bankrupt us in that account.

Alderman Deane

Thank you. There could also be money in other line items that haven't been spoken for that could be utilized as well. We wouldn't want to leave that out of the equation.

Mayor Lozeau

Thank you.

Alderman Deane

I did speak with Mr. Conrad about the past problems, the fact that a large number of para-professionals were totally left off the ledger. Although they were working there and were compensated for the jobs they do, they were not on the ledger sheet. Not one year, but two years they did that.

The gimmicks that were used pertaining to their operating budget I don't understand why it happened. They tended to spend up to the last dime that was appropriated. I have had some e-mail communications with Mr. Vaughan about a contingency line. Why they don't have a contingency line in their operating budget is beyond me. We have one in the city. You have unforeseen issues that come about and you have to go somewhere. Mr. Conrad explained to me that he used to operate on the side of caution and wouldn't allow lines to run in deficits when he was there, and he would look down the road at what was going on so he could forecast what appropriations were needed for certain items and what he could look back and say I do have a little bit of breathing room in this one line item that I can utilize for these different expenditures at this point in time. That is what he ended up doing. Obviously he was good at it because when he was there we never had these problems.

I do understand the basis of the problem. What I would like to get and what I am going to request is an educational impact analysis on what isn't being received for the cuts that have been made so that we can get that and understand what impact it has on the education that is being offered to the children in the city.

On another note, I wanted to amend this legislation, and I wanted to go back to the discussion we had about 229. I didn't want to change the sum total of \$1 million. What I wanted to do was change the funding source so in the title I wanted to change that \$1 million; would be \$1 million in total and from account 299-00 undesignated fund balance would be \$500,000 and from account 308-91-6105 employee benefits would be another \$500,000. That would be out million. Add that in the title and body.

MOTION BY ALDERMAN DEANE TO AMEND IN THE TITLE AND BODY BY CHANGING THE SOURCE OF FUNDING TO “\$500,000 FROM ACCOUNT #299-00 AND \$500,000 FROM ACCOUNT #308-91-6105 – EMPLOYEE BENEFITS FUND”

ON THE QUESTION

Alderman Deane

The discussions we had with the percentages that we were holding...

Chairman McCarthy

Let me just re-state the amendment. The amendment is to amend in the title and body by changing the source of funds to be \$500,000 from Account 299-00 and \$500,000 from Account #308-91-6105.

Alderman Deane

The title of that account was Employee Benefits Fund, the 308 account.

When we had discussions on this, we were told that we had adequate percentages within our reserves and we amended that by leaving \$500,000 in that area, which would put us over the percentages that our CFO along with the consultants said we should be carrying in those areas. My rationale of thinking is that instead of taking the additional \$500,000 out of undesignated fund balance to take the \$500,000 in excess reserves that we are currently holding in the 308-91-6105 account. That is my amendment Mr. Chairman.

Alderman Tabacsko

I guess I would just ask for comment from the CFO on the amendment because I am not sure what to make of it.

Michael Gilbar

Either way we are above the 10% recommended limit. We are probably, with \$1 million coming out, we are about 12%. Excuse me it is a little below 12% so probably will bring it up to closer to 12% with the \$500,000 not being taken out.

Alderman Tabacsko

How about on the employee benefit account?

Michael Gilbar

We are still good with that. There is no change to that.

Alderman Tabacsko

Taking this \$500,000?

Michael Gilbar

We had about \$2.5 million left anyway, removed the \$2 million, and we have \$500,000 in there.

Alderman Tabacsko

This will wipe that out.

Michael Gilbar

That wipes that out correct.

Chairman McCarthy

However, if we do it this way the base budget on which the FY2011 budget will be started is \$500,000 less because it is a transfer and not an appropriation correct?

Michael Gilbar

No because you are actually moving \$850,000 into the operating budget and you are moving \$150,000 so the \$1 million source...

Chairman McCarthy

The 308 account is already appropriated money. This is not making an additional appropriation under the terms of the budget cap.

Mayor Lozeau

Do you mean the overall city budget?

Chairman McCarthy

Yes.

Mayor Lozeau

Not the school budget?

Chairman McCarthy

Both in fact will be less by \$500,000. This is not a one time expense. This is a we believe that special education expense will be just as deficient in 2011 and this line item needs to be continued so if we make this change we in fact start out 2011 with a \$500,000 deficit in terms of the appropriations because this reduces the baseline of the budget since we are moving already appropriated money and not making another appropriation reduces the base budget for 2010 in the end by \$500,000.

Michael Gilbar

That would have to be a question for Legal.

Chairman McCarthy

Is there any further discussion on the amendment?

MOTION FAILED

Chairman McCarthy

We are back to the motion to recommend final passage.

MOTION BY ALDERMAN DEANE TO TABLE

MOTION FAILED

Division Taken

Chairman McCarthy

The motion then is for final passage.

Alderman Deane

I don't see what the urgency is to send this to the full board. I don't know why we can't wait until we get an opinion from legal counsel on your interpretation and what legal counsel might add in for their opinion on it. It is not like the school district is out of money. I really don't understand the sense of urgency.

Alderman Tabacsko

I think that there is a sense of urgency and I think it is something that we would like to get in place and move along. We think this is our best effort, but as the Mayor said we really don't know that for a fact what the year will bring down the line, but at least this is a start. I don't see any reason why we couldn't pass this out to the full board and get the legal information and that amendment could still be made at the full board if that is the will of the board. I guess I would encourage us to move this on.

Alderman Deane

So many times I have heard in the Chamber that the work is to be done at the committee level. I did co-sponsor this, and I do understand there is a problem. My only issue is that I would like to use a different funding source and I would like to better understand what Legal would have to say pertaining to the point that Alderman McCarthy made and just to make sure that everything is correct. If that is correct then I guess that would change the merits of voting on the amendments to some, maybe not to others. There are a number of co-sponsors on this resolution and I think the school district kind of understands where the board is coming from. We know there is a problem, we have an interest in addressing the problem, it is just the funding source that I would like to have clearly understood before we move forward with it that is all. Thank you.

Alderman Clemons

Thank you. I believe that we ought to move forward with this the way that it is written now. The reasoning is that the \$500,000 that exists in the other account that was mentioned, the employee benefits fund, is money that is there and it is available to us. The \$1 million coming from undesignated fund balance is money that requires ten votes, it requires in some people's mind an

urgency to cast a vote in that case, and I think that the issue that we have before us is one where the public is expecting action. I think to delay action I think will only frustrate the problem and frustrate what the citizens are looking for us to do, and that is to solve the problem. To that end, I think it is in our interest to move this forward and solve this problem as far as we know it exists. Hopefully down the line we won't have to go and revisit this issue, but if we do then we have the \$500,000 that is in the employee benefits fund that we can go to, and it wouldn't require 10 votes and we can take that up at that time. I think that is a better way to proceed.

Alderman Cookson

Thank you Mr. Chairman. I think what would frustrate the citizens of Nashua even more is the fact that we may not be doing our due diligence. We have had one proposal come before us with the funding sources. Alderman Deane this evening made a proposal to look at a different funding source, and it deserves the time and effort to get an answer so that we can make the best decisions for our constituents, for our citizens within the City of Nashua. There is absolutely no harm in making sure we make the right decision, not a decision, the right decision. The right decision may be in fact what the Mayor has proposed, but we don't know until we do our due diligence. There is absolutely no harm in getting an answer from legal so that we can best understand the implications of the decisions that we are making.

I am absolutely in support of Alderman Deane in this particular instance. I think we should look at the other source, I think we should get an opinion from legal, and we should understand what we are voting on and not just vote because it is the easy thing to do, that this is the solution that is before us, and you haven't done the due diligence to look at any other proposed solution.

Chairman McCarthy

With all due respect, we can transfer the \$500,000 back into the general fund, which most of us were ready to do last week before amendments were made to this, and the result will be identical to the alternative proposal.

Alderman Cookson

But you Mr. Chairman, if I may, you have just made a statement that if we do it one way versus the other; we are going to be decreasing our base budget in FY2011 by \$500,000. Is that not something that we should consider and look at based on even your suggestion that that might happen? Should we not get that answer?

Chairman McCarthy

It is not an issue if we pass the legislation as it was submitted to us.

Alderman Cookson

But you raised it as a concern. You said next year...

Chairman McCarthy

I raised it as a concern because I understand exactly what will happen if we take the amendment that was given. We will reduce the base budget. That is why this resolution requires 10 votes because it is a supplemental appropriation. Transferring the \$500,000 out of the 308 account

does not because it is simply a transfer of appropriated funds and does not change the bottom line of the budget.

Alderman Cookson

That is correct.

Chairman McCarthy

We can correct the affect of that either way we want to by transferring that 308 money later on. We are not going to miss any due diligence by taking up the issue as it is before us. What we may do is take the \$500,000 that we may need during the year and put it where it is now beyond reach, which I suspect is exactly the intent of some of the votes that I have seen. There is another item that is before us that I don't know where it is going to go that involves an amount of money that is remarkably similar to that.

I personally, my intent is to leave that \$500,000 there until we see what the year brings or to move it to general contingency where we would be able to use it for whatever happens between now and the end of the year. If we appropriate it for this purpose then the opportunity to deal with things later on is gone so I think due diligence is leave that \$500,000 in the 308 account or in the general contingency account until we see what is going to happen. We just went over the fact that if we get one more special education student that could be a budget breaker for the special education budget the way it stands now. I have confidence that our school department will be frugal this year. I have every confidence in the new Superintendent that he will do that, but he doesn't get to control who moves to Nashua and neither do we.

Alderman Cookson

But respectfully sir, it would be nice to get an opinion from legal in this particular instance. I appreciate your opinion. I would also like legal's opinion. Thank you.

Alderman Deane

Thank you. So what I am hearing, I think what I just heard from you and I believe the Clerk, was that if down the road we find that this money may be needed that people would be willing to support sending it over the same way that I am suggesting, which in turn would have, as you have stated, a net affect on the bottom line of the operating budget in 2011. Did I hear that?

Chairman McCarthy

That is true. However, the difference is that we are up against the budget cap at that point, we are not now. We have \$1.4 million in space between the top of the existing appropriations and the cap. We will leave that at \$400,000. If we spend that money now then we are in a condition where requires a supplemental appropriation we may not be able to fit in, and next year we don't have \$500,000 in the budget that is needed to pay for special education.

Alderman Deane

That would require an override?

Chairman McCarthy

Yes.

Alderman Deane

And there is such a thing as an override right?

Chairman McCarthy

There is an exemption of bonded debt and capital improvements yes.

Alderman Deane

Us common folks call it an override though. Alright. I just wanted to clear that up. Thank you.

Mayor Lozeau

Thank you. First of all each time I come to a meeting and go through a different challenge I learn something else that I need to make sure that I know for the next time so that I can tell the committee what the answer is rather than having to wait and go to legal. For what it is worth, when I brought the proposals in for the tax rate setting that I brought in, and at the full board meeting when I don't have an opportunity to participate the way I might like to in some instances, I was really surprised by Alderman Teeboom's look at things that sent us down the path of that \$500,000, let's just call it wiggle room for the sake of discussion right now. I had wished that I had known about it sooner in the day so I could have done a little bit of homework on it and been prepared to respond differently than I did that night although that evening I was aware that the deadline that we were faced with and talking about that evening, was in fact a self-imposed deadline in the ordinance that the board could have chosen to suspend, and that would have been great, but I was not in a position to talk about some of that.

But, I was really taken aback by it and I have put a lot of thought into it, and the truth is that I support Alderman Deane's motion and I support it in the way it is now. I agree with Alderman McCarthy that next year our base budget – I am very worried about 2011, and when you put all the cuts that the school has made, the \$2.6 million I have talked about, add this \$850,000 to it, and we look at all of that for next year, I am worried about the base budget. But, I think that we still have time to look at that and whether we leave \$1 million between the Spending Cap by dividing \$500,000 from the other fund and \$500,000 from here now, I think it is half dozen of one versus half dozen of another. I think the difference is 2 votes, which I understand where the concern might be with that.

I think that we are going to revisit this more during the year and revisit the idea of the 2011 budget and revisit the idea of the distance between us and the Cap. The last couple of years I have suggested moving contingency funds to different place because it made sense to me at the time replenishing other accounts, looking for what is going forward, and I would like the base budget to start in a different place next year. I would suspect, and whatever the exercise might be worth and it is certainly up to the Chairman and I understand that, that whether you wait or not, there are some people that are going to support the increase to the base budget and vote one way tonight and others that are not. With or without that final answer, I think it would be easy to determine whether it would pass one way or the other. I think in the final analysis something needs to pass. I think the uncertainty surrounding it is a problem. Thank you.

Alderman Teeboom

First of all it is interesting to sit on this side of the discussion. I remember the last time we met I argued about not transferring, not transferring appropriated money. I think it was \$2 million. Not to transfer \$2 million that was appropriated into an unappropriated account namely fund balance. I said it was a dumb thing to do and nobody listened. Now I listen to Alderman McCarthy saying exactly the same thing.

Chairman McCarthy

We did listen Alderman Teeboom. We kept \$500,000 in account 308.

Alderman Teeboom

You shouldn't have transferred any of that \$2 million. That is my point. \$500,000, \$1 million, \$1.5 million or \$2 million should not have been transferred; it should have been kept right there in an appropriated account not in an unappropriated. Now you are looking at increasing the base budget. That is a serious problem. Yeah it gives you a little bit of extra wiggle room next time, but the base budget carries from now and infinitum. That is the kind of thing that tripped up Mayor Streeter who kept increasing his base budget until finally citizens got made enough and tried to recall him. They were called Spending Cap overrides year after year after year and each override increased the base budget.

Now you don't have to go over the cap to do supplementary budget. That still increases the base budget even though you are still under \$435,000 you increase the base budget by \$1 million with this resolution before us. One million dollars because you take unappropriated money and put it into an appropriated account. It is the reverse of what we did before. That is the dumb part of the whole thing. So you increase the base budget by \$1 million. Wrong direction because that carries forward from now to infinitum.

Now let's get back to the merit of this particular resolution, which is what we are really arguing about rather than the technicalities of budgeteering and budget gimmicks. I didn't endorse it. I am not an endorser of this resolution because I don't think it is the right way to go. There are two other ways to go; first one is to follow what is tabled in this committee for some time now, which is the R-09-227, across the board cut. That is what the Charter asks for. You are trying to get around it by doing these transfers that is fine.

But let's take a look at the real core of the problem. Now lately I read the press, I listen to Aldermen speak, I listen to radio programs and talk show hosts and whatnot and everybody is making Mr. Mealey and Mr. Hottel all of a sudden into people that know nothing, incompetents. In fact, Mr. Hottel was an extremely competent manager. He did the program budgeting. He is the only one that has ever accomplished program budgeting in this city. He did it with a very large budget getting a lot of citizens involved. We thought it was outstanding and we kept complimenting on it. Mr. Mealey, I don't know how many times people told Mr. Mealey what a good job he did. The problem in the school department and Mr. Mealey and Mr. Hottel is A) they are understaffed – take a look, I just happened to take a look, we have 10 people employed in Finance called account compliance management. We have a whole department headed by Rose Evans of 4 or 5 people, total of 10 people looking at a budget, which is about half of the school budget. The school is about half. If you take the pension part the school is about half of the whole budget.

The school department had, besides Mr. Mealey, 2 clerks. Now if you look at what caused this problem we were all well aware of it. When we approved the contract and we knew there wasn't sufficient money appropriated to cover all of the contract increases if nobody quit, everybody said well we can meet it because people are going to leave and we are going to hire lower paid teachers to take their place and we will meet it that way. It turns out if you compress 12 steps to 9, which is part of the whole arrangement, and give double increase on top of that last year, how are you going to meet the budget? And in fact the thing slipped away from them. We all were aware when we approved this contract that it was looking disaster in its face. I remember mentioning it. I said Mr. Mealey had to be a magician. I was quoted in the minutes. And in fact it slipped away from them.

The problem was the contract. It was not Mr. Mealey, it was not Mr. Hottel, and it was not the school board even because they should have gotten financial reports. They knew there were problems. The problem is the contract. We set up a budget problem to fail. There is another proposal, which is the one I will propose when we go to the full board meeting. I don't have a vote at this Budget Committee meeting, they can make any proposals. That is to open up the contract. The state is doing it. The state is asking employees to take some furloughs. We can ask the Assistant Principals to take furloughs. We created all kinds of new assistant principals; we promoted them from headmasters and gave them 30% increases in pay to most of them. They gave teachers last year, it was over 100 teachers, and they got between 20-26% increases. I will have the exact number when we next meet. That came right off the calculator that Mayor Lozeau posted on the web site. That came from the spreadsheets of which I have a copy.

The severance payments highly increased. We have to go back to the contract and reduce that contract because this problem is going to be around next budget year and budget year after that unless we just take a huge increase in the base budget and all of a sudden we have quantum step increase in the school budget and then we go forward from there, which I don't think is going to be acceptable. I won't be here to have to vote on it unfortunately, but I don't think that is going to be acceptable.

So the proposal I am saying is, and I will make, it probably won't get the votes, I tried it once before, so open up the contract. Put this on hold, nobody is **...audio inaudible ...** against the end of the year. If nobody wants to renegotiate a contract then maybe there should be a lot of layoffs, but taking a million dollars out of undesignated fund balance following taking what \$3.5 million out of the school's piggybank, the only piggybank they have to do school improvements, I just don't go along with it. Thank you.

Chairman McCarthy

Very nice simplification, but this board has no authority on its own to re-open the contract we can merely ask.

Alderman Teeboom

Ask.

Chairman McCarthy

We cannot solve much of the problem through layoffs because those had to be achieved in April. Anyone that we still had on the payroll come May we are required to keep until the appropriate

time next year, which is the end of April, and it won't help the 2010 budget very much. To get to the school budget itself, Mr. Conrad's analysis shows that the contract contributed about \$550,000 to the shortfall. The teachers' accounts are short by \$550,000. There is \$600,000 missing where we over-spent on custodians, there is \$700,000+ in para-professionals because apparently we had 30 more people on the payroll than we had in the budget, there is \$1.5 million short in special education costs because that wonderful program budget had a option to under-fund special education, which is the one that was brought forward to us, and it hardly seems to me that is a miracle of budgeting in the way things turned out.

I don't know what questions we could have asked to better get at that because the numbers that were put in front of us were simply wrong. They did not match what the run rates were in the department. We are trying to fix that. If we try to do that through layoffs or some other mechanism, we are going to either decimate the system or we are going to come up with something that is a one year solution. We have a base budget for the school department that is clearly substantially lower than what the actual expenditure requirements are. We have to fix that on one side or the other.

Alderman Flynn

Thank you Mr. Chairman. Getting to the legislation itself, I signed up for this legislation. I know the Mayor has mentioned tonight that at some point I guess we have to move on. I don't really think this is the end of it by any means. I felt duped before as I lacked information on making some voting decisions in regard to the school department. I didn't think that they were very forthright in giving us information when the first contract was signed. They weren't very forthright at telling us that they had a lot of money set aside in reserve accounts that they eventually ended up using for I think to balance the following year, but we actually on our own I think – they told us they were short money and we moved \$600,000 I think forward to resolve that first contract.

I kind of felt that they weren't forthright in telling us what was going on at that point. When we talked about opening up the Phoenix School and when we first had the budget in front of us they talked that they had money in there to revamp that facility and build that into an entity that could provide proper education, and then we ended up being asked to transfer another \$250,000 or \$270,000 to take care of that. At budget time they had the money in their budget to do that.

I have also felt very duped when I read or listen to meetings of the school board when they decided to give the school truancy officer a \$13,000 raise or the facilities manager ended up getting these huge raises. These are months or within a month or two of after we pass a budget and we are told that it is a bare boned budget with no room to spare. They couldn't live with the Mayor's recommendation of 1%, they had to have 1.5% that year and then we passed the 2009 budget, but before the budget was even in effect on June 10th they were deciding to spend \$70,000 on making principals work summers or something like that. Suddenly they had the money for that. That same evening they found the money to move the director of plant operations from \$73,000 to \$85,000. This is just as the budget is being written this is June 10, 2008.

I have felt disappointed that we haven't had true information or the full picture from the school department repeatedly, and I have done my best to vote properly along the way based on the information that has been given to us. It has been very difficult to get the information from a department that some members at least have this cavalier attitude of just give us the money and we will decide where we spend it.

I signed up for this, I am going to still rule for it at the full board, and I am torn between the history that I have seen and the lack of accountability. I would hope Mayor that the school department is calling you on your door or beating on your door every day asking you for some help from the CitiStat Department to get their operations under control. I hope they are begging you because they really need some – I think they need some other influence from the city side rather than just have us be somebody who transfers money to feed this ongoing thirst that they have or this ongoing hunger. They operate on the same venue as we do. They operate in public. We do get these, if you want to go to the meetings, I honestly can't say I go to the meetings, but I do follow them and from time to time print out these either their minutes or at times, because their minutes are limited, I print out some summaries from the Telegraph. These are very very disappointing things.

Almost a year ago tonight on October 5, 2008, that was the evening that they decided to give the school truancy officer to go from \$52,000 to \$65,000. I know there are areas where that is not unheard of, but when you are well aware and when you have announced to us and to the public that you are going to have a hard time making ends meet, I think you start trying to control where you are you don't kind of wait until – you take every measure along the way to show some prudent control of what you have for funds.

I am not going to change my vote on this, but I really have some real strong reservations that this is not the end of it. I certainly hope that, based on the Mayor's visit to them, based on a real maybe a real awakening that they do need to really step up and get a better handle on what they have for expenditures. I don't believe this is the end of it, but we do have to do something to – I don't know who said it, I think it might have been one of the Aldermen to my left, but somebody said that we do have to give them some idea of what they have for funds and let them start moving forward a little bit with the genuine needs that they have, genuine needs that they have for educating the children. But \$70,000 for principals to work summers that is almost two teachers or is that almost 3 or 3 1/2 para-professionals. They have to get a handle on what their true priorities are. They haven't exhibited that to my satisfaction, but they do have my vote for the legislation. Thank you.

Chairman McCarthy

It is my intention to ask Mr. Conrad to come in and talk to us again and probably on a periodic basis as to where the budget is shaping up for upcoming years. I think we probably ought not to do that just on an annual basis at this point, and make sure we understand how that plan is going to unfold.

Alderman Clemons

Thank you. I don't agree with everything that my colleague just said, but I certainly do agree with the fact that we have been, to use his words; we have been duped at times by the previous administration. I think that it is important that through this legislation here before us that we give the new administration the benefit of the doubt. I think that the Mayor has certainly gone over with Superintendent Conrad the shortfall, and I will take her word that when she says that this is what we need to cover the shortfall that this is what we need.

I think hopefully that is all there is and that we don't have to go forward, but if we do, then obviously it will probably be because we found something else that went wrong that we didn't know about. I think we may find these things going forward. The most important thing to get out of this is to make sure that it doesn't happen again. I think that we're moving forward in the right direction

in that regard. I think we have the right person in the school department to do it, and I think we have the right Mayor quite frankly to get it done. Thank you.

Chairman McCarthy

The motion is to recommend final passage of R-09-243. Is there any further discussion?

MOTION CARRIED

Chairman McCarthy

Returning to the regular order of business.

R-09-241

Endorsers: Alderman-at-Large Lori Wilshire
Alderman Michael J. Tabacsko
Alderman-at-Large Ben Clemons
Alderman Marc W. Plamondon

**APPROVING THE COST ITEMS OF A COLLECTIVE BARGAINING AGREEMENT
BETWEEN THE NASHUA BOARD OF POLICE COMMISSIONERS AND INTER-
NATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA (UAW), PROFESSIONAL EMPLOYEES OF
THE NASHUA POLICE DEPARTMENT, LOCAL #2232, THROUGH JUNE 30, 2011**

MOTION BY ALDERMAN WILSHIRE TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Deane

Attorney Bennett was kind enough to hand out a summary. I see all of these items that were added to the existing contract, what did we get in return for the items that we added during the bargaining?

Stephen Bennett, Esq.

Are you addressing me?

Alderman Deane

When we made these changes to Articles 13, 16, 18, 20, 21, 23, 25, 34, 35, and 38, what did we get in return?

Stephen Bennett, Esq.

These are the cost items. There are obviously other items that we discussed, which are not before you and not necessarily part of the discussion regarding cost items. But, in general, first of all, all of these are not give mes to the union. If you would like me to go over them I can cover them.

Alderman Deane

Before you continue, what I would like to understand is I think I heard that you said there were items that were bargained in lieu of these items aren't cost items so that is not really part of our function.

Stephen Bennett, Esq.

My understanding is that the legislative body for the city approves cost items. There are often discussions regarding language such as for example the grievance process off the top of my head that is one that was discussed or the employee rights is another area that was discussed. Those are not articles that necessarily have costs associated with them. There were other discussions that are not represented in this summary. That is what I was referring to.

I think more importantly is not all of these items would necessarily show on the plus side of the ledger for the unions. Your characterization that there are all things that were given to them is not accurate.

Alderman Deane

Can you point out which articles are not cost item related then?

Stephen Bennett, Esq.

In this summary?

Alderman Deane

Yeah.

Stephen Bennett, Esq.

This summary is the cost items. I wouldn't put non-cost items in the summary.

Alderman Deane

That is why I didn't understand what you just said. Why would you put these on here if they didn't have a cost to them.

Stephen Bennett, Esq.

Your question was what did they get or what were the other...

Alderman Deane

That was my earlier question, what did we get in return for bargaining these changes to the different articles.

Stephen Bennett, Esq.

I will be glad to go over them with you one by one, and doing chronologically, as they are presented in the summary.

Article 13, there was an increase of 2 days per year for those employees who have 20 or more year's continuous service. The rationale for that was in part that these employees in this union, I believe there are 11 or perhaps 12, are supervisors. There are 13 employees. These are mid-level supervisors. In reviewing the other contracts, the supervisors, particularly the supervisors lieutenants and sergeants there is some similarity between their responsibilities here as far as managing the police department, they have 30 days. These people were at 26 and would move up to 28 days once they reach 20 years. That affects two employees out of this union. The next, besides those two, at 20 years, I think the next 11 employees are at 10 or less so there is not going to be an increase cost over those two employees during the course of this contract or for several more contracts down the road. But it does reflect the responsibilities these people carry.

Article 16, there is no change to that except that we added the city's option to include a prescription benefits program managed by a pharmacy benefits manager so there is no increase in benefits there. That was something the city had been looking at for several contracts so, this being a cost item, I included that in there. But, there is no added cost whatsoever with that. In fact down the road it would hopefully help the city save some money.

Chairman McCarthy

Whose option is it to extend the benefit?

Stephen Bennett, Esq.

Our option, purely a city option. We would present that as an option to the employees.

Article 20, Personal Days – this again, while it is a cost item article, the change here was a shift from the fiscal year calendar to the calendar year.

Chairman McCarthy

There is no increased cost over the current wording?

Stephen Bennett, Esq.

There is none. There was a lot of change to language to try to work this out, but this makes it consistent with the other contracts within the department. In case people were flipping through, there would be a heck of a lot of changes that would go unexplained if I didn't put that in the summary so that is why I included it.

Alderman Deane

So there is no cost related to Article 20?

Stephen Bennett, Esq.

There is not.

Alderman Deane

There is potential though right?

Chairman McCarthy

There is no additional cost.

Stephen Bennett, Esq.

There is no additional cost.

Chairman McCarthy

It is the same cost as the previous benefit.

Alderman Cookson

Thank you Mr. Chairman. I wanted to go back quickly to Article 16, and the language that has been added indicates that “carving out prescription benefits from a health insurance company to be managed by a Pharmacy Benefits Manager.” That Pharmacy Benefits Manager, is that an additional role or responsibility by somebody in this particular union?

Stephen Bennett, Esq.

It is not. I have a very rudimentary understanding of this whole process, and I know the city has been working on it, but what is proposed is we take one of our existing plans and negotiate out the prescription portion of that plan and give it to another company who would manage it for a better price.

Alderman Cookson

So the Pharmacy Benefits Manager is an employee of whoever we contract with?

Stephen Bennett, Esq.

That is my understanding.

Alderman Cookson

Thank you.

Chairman McCarthy

That is essentially allowing the cost saving measure on the city's part.

Stephen Bennett, Esq.

It is.

Chairman McCarthy

We are paying for the pharmacy benefit through the existing plans. This would allow us, if we were to find a lower cost pharmacy option, to remove it from the insurance plan directly and fund it as a different benefit through a pharmacy benefits program.

Stephen Bennett, Esq.

Correct. It is intended to be a savings for the city at some point when we do get a plan such as this available.

Alderman Cookson

Could we speculate that if that prescription is taken away from a particular insurance company that those rates might be increased by the insurance company even though we anticipate a cost savings for the prescription?

Stephen Bennett, Esq.

I don't have enough information to answer that. I suspect that could be, but the people in the H.R. Department have been looking at this and they have a much better handle on it. I understand they have been looking at it and they are looking at specific companies.

Chairman McCarthy

It is language that enables us to put in place an alternative lower cost plan so why would we accept a change that raised the rate?

Alderman Cookson

And I completely understand that, but if we are taking away a benefit that an insurance company provides a set of employees because we are intending to go to a lower cost, might it also be anticipated that that company that is losing revenue now because that prescription plan is no longer part of that service that they provide, might they increase their rates to make up for any loss of margin or profit? That was the question that I had posed. So maybe we can get that answer through our Human Resources Department. Thank you.

Stephen Bennett, Esq.

Article 18, Bereavement Leave, in order to make this contract consistent with the rest of the department's contracts, immediate family was re-defined to include brother-in-law and sister-in-law as consistent with the other contracts from the department.

Alderman Teeboom

Attorney Bennett this is very nice, but can you give us a dollar figure with each of these cost benefits?

Stephen Bennett, Esq.

I can't. We have Mr. Gilbar's cost analysis. I don't have them broken down by each article.

Alderman Teeboom

You don't have a summary for the cost of all of these cost items? Okay, it is on page 2, the \$30,000? Is that correct? That is all I am really looking for. Is that correct?

Stephen Bennett, Esq.

If Mr. Gilbar says it is correct it is the best I can do for you.

Alderman Teeboom

If Mr. Gilbar says it is correct it is probably correct.

Stephen Bennett, Esq.

Article 20 , Personal Days, we have already covered with you. Article 21, Wages, this was a new union that former approximately four years ago, and this was the first contract with them. We had a grid and that grid at that time had between 3-4% increases in the steps. There was a large incentive for the city to get rid of that grid for this contract particularly in light of the changes to the law, which said that pay plans become permanent. We were looking at if we went with the existing grid we would look at a pay plan of 3-4% per year, which they would get each year regardless of whether they negotiated a contract.

There was a great incentive, and this is probably the biggest benefit to the city was this article here where we removed the grid and instead substituted increases of 1% a year, which the employees will get if they are here as of July 1st. They get an automatic 1% increase. Then those employees, if they receive a satisfactory evaluation, will receive an additional 1.5% increase. While the 1% is there each year, they still have to have a positive evaluation to get the additional 1.5%. That 1% does become a permanent pay plan.

We felt that was a fair exchange to get rid of that 3-4% step grid. Our analysis was that the 1% increase that they get automatically is not enough to keep them away from the table any year from negotiations because they are happy with the 1%. We felt that coupled with a COLA increase of 1.5%, 2.5% was a fair increase consistent with the other contracts, but would not come back to haunt us when the contract came up for re-negotiation.

Alderman Teeboom

How many employees are covered by this contract?

Stephen Bennett, Esq.

Thirteen. Two of those are part-time. For example, we have the attorneys who represent the police, we have the people in charge of I.T., we have the Plant Manager, the Fleet Manager, Records Manager, Radio Systems Manager, Business Coordinator, System Support Specialist so that is the range. It is a fairly collected group of employees.

Alderman Teeboom

Including the attorney?

Stephen Bennett, Esq.

There are two; there is one full-time and one part-time.

Alderman Teeboom

Thank you.

Alderman Cookson

Thank you. The beginning annual salary that is identified on page 31 for those 13 employees that you just mentioned, did you use the previous grids in any capacity to determine what that column salary was going to be?

Stephen Bennett, Esq.

We started where they left off I believe.

Alderman Cookson

So if we look at the first item, the Domestic Violence Advocate with a grade 11, can you tell me on page 30, I am assuming it is Wage Schedule D beginning 7-1-08, where this individual is on that particular grid, the \$35,509? Or is the \$35,509 have an increase...

Stephen Bennett, Esq.

On the old grids?

Alderman Cookson

On the old grids.

Stephen Bennett, Esq.

Where they are at the present time? This is the old grid.

Alderman Cookson

My question was did you use the old grids in any capacity to determine the starting or where this \$35,509?

Stephen Bennett, Esq.

We started them at where they were.

Alderman Cookson

So if you started them where they were, I should see \$35,509 on the wage schedule D grid. I didn't know if that number included a 1% increase as was suggested.

Stephen Bennett, Esq.

I am trying to remember the calculation that Mike Gilbar used to place these people.

Alderman Cookson

I found the \$35,509. That is grade 11, step 5.

Stephen Bennett, Esq.

I can tell you if I can find the year. I believe that is where they came in. They took them from their FY08 and moved it up.

Alderman Cookson

Okay so you started at the FY08 so that \$35,509 is representative of grade 11, step 5.

Stephen Bennett, Esq.

I am sorry it is FY09.

Alderman Cookson

Thank you. So this is an outdated grid completely and wasn't used, we would have had an FY09 grid?

Stephen Bennett, Esq.

Correct yes. This was just a grid from the last contract and we replaced it with the new pay scale.

Alderman Cookson

I will speak to you later in further detail just to better understand. Thank you.

Stephen Bennett, Esq.

If they moved up, her pay would have been \$36,842 and I believe here it is \$36,397 is her rate assuming she gets the increase. That is the difference.

Alderman Cookson

Thank you.

Stephen Bennett, Esq.

Article 23, Overtime & Flex Time, this is merely a change in language. We previously exempted employees if they worked – they are exempt, they work overtime, they were given flex time. They don't get the overtime pay because they are exempt, but they give them some flex time, a couple of hours off. They were required to use that within the week that they earned it. Now we have extended that to a 30 day period. The fact is if they were working unpaid overtime during the week it was really tough to fit in the flex time along with that. We extended out the period of time and

not an additional cost to the city. Comp time again if people are not exempt and have overtime they can convert it to time coming. That actually, for a lot of these employees, saves money for the city. Instead of paying the overtime they get the time off and they are given a time off and we are not going to fill their position so there is no filling in. That is a savings too.

Article 34, Educational Reimbursement, these are the same changes that were made on the supervisors' contract. We did not increase the amount of money available for reimbursement for educational costs we merely changed the amount we pay per course to reflect the increased cost of college or graduate courses. Again, that is the \$800 or \$900 depending on the year, and that is consistent with the supervisors. The pool of money remains at \$3,000.

Article 35, Emergency Leave and Personal Time, the change was in the personal time section. Personal time comes from an employee's available sick time. If they had no sick time available they are not eligible for personal time. The change was that part-time employees are now eligible for 4 hours of personal time per calendar year. Before they were not eligible. There are two part-time employees in this union. The last one, Article 38, Duration of Agreement, is the duration of the contract, which is two years, which is consistent with the other contracts.

Alderman Teeboom

Could you go back to Article 25 for a second? I am looking at the agreement page 35, what does that mean convert overtime to time coming? What does that mean?

Stephen Bennett, Esq.

Instead of getting time and a half for overtime, they take that overtime as straight time off so if they worked 2 hours overtime they would be able to take that off as time coming just as paid for time off. If the city paid for it at overtime it would be at a rate of time and a half. The time coming is paid at just a straight rate.

Alderman Teeboom

Then to the Chief, wouldn't you have somebody else cover that extra time? Let's say somebody has let's say 5 hours overtime and they say well I really want to go to San Francisco next month and I really would like to take that 5 hours and add it to my time in San Francisco, but you need to get a shift coverage. Don't you then pay overtime to somebody else to cover the shift?

Chief Donald Conley

Not with this particular union no. Time coming is something that is regulated and you have to ask permission obviously to take the time coming, and depending upon how many people we have on staff will determine whether or not the leave is granted. In this particular union for instance, if Brian Sojka who is our Fleet Maintenance Supervisor who I know you are all familiar with, if he wanted 5 hours and schedule permitting he would take the 5, I wouldn't hire anybody to take Brian's place.

Alderman Teeboom

That would apply to any, maybe except the police attorney perhaps if he had to be in court.

Chief Donald Conley

If he or she had to be in court then we wouldn't grant the time coming. It is all scheduled out. Depending upon who is working that day will determine whether or not we grant the time coming.

Alderman Teeboom

Thank you.

Chairman McCarthy

The motion is to recommend final passage of R-09-241. Is there any further discussion?

Alderman Flynn

I notice Mr. Gilbar has already left, but perhaps you or someone else, maybe these numbers make some sense to the Chief. If you have the spreadsheet that we were given by the city financial officer for costs of this contract, for us it is page 2 or 3. It says here that the total base for this group is \$1,042,000. If you have the same page as us it is next to the last line in the first column under Base FY09.

I understand that and there are 12 people in this group so you can kind of divide that by 12. Are there 13 people in this group?

Chief Donald Conley

Thirteen yes.

Alderman Flynn

Thirteen so you can divide that by 13 and find out what the average cost to the city per employee for the full cost, the full loaded cost with all of their benefits. When I get to the next line, if I move over one column for FY10 and I go to total cost, I go to the line above that, it says now in the FY10 year the total cost for these 13 employees is \$1,073,000 or \$30,965 extra per this bargaining unit. When I divide that by 13 people, I get just under \$2,500 a person for the cost.

Do you know why at the very bottom of the page we get that number of \$938? I am assuming that there is something wrong in this very last part of the page and I should just ignore it. I think there is something wrong. All of the items that are highlighted in the last three entries; the average annual total compensation package, I think that is bogus because you only have 13 people and the \$30,965 that makes sense to me. When I add up all of the different numbers I can add roughly in my head I get the right number. I am assuming the right answer here is that the average compensation is a little bit more than \$2,500 per person not \$938 per person over the course of this first year of the contract, and then consequently in the second year it is \$38,000 divided by 13 people or almost another \$3,000 over and above the first \$2,400.

I don't know if you can speak to that, if you understand that or not. When I first looked at this I don't think I probably did enough time studying this before coming tonight. I really was thinking more about how I am struggling with my position on that teachers' issue.

Chief Donald Conley

It would be my understanding the \$938, the \$1,178, and the \$1,058 would be a number that would reflect the cost relative to insurance benefit, the medical, the retirement cost and so forth correct?

Alderman Flynn

I don't know what that implies. The \$32,521 doesn't make sense to me. If the total cost, the overall total cost – I don't want to get into a lot of – I just want at least to have the committee agree that the cost per employee for FY10 is \$30,965 divided by 13 people. Is that the consensus of the contract that the committee is looking at when you look at the numbers?

Alderman Deane

Down in the darkened area, if you are looking at the total cost you would take the \$938 and the \$1,178 and add it together. Correct?

Alderman Flynn

That is under FY11.

Alderman Deane

Right but then when you look at the total in the last column.

Alderman Flynn

When you add the two together and divide by 2 you get \$1,058. It is truly an average not a total, but the column is a little deceiving. Even though it says total on the end sometimes it is average, but that is not the average on this contract. The \$1,058 is not the average. I just like knowing what I am agreeing to. I think what we are looking at is the total cost is for this total contract including retirement benefits, insurance benefits, and all of the payroll part of it is growing from \$1,042,000 to \$1,073,000 to \$1,112,000, and the other thing at the bottom I don't know if that was something that should have been deleted from a spreadsheet that was done before this or something. Is that the committee's consensus that is the line we are really passing a contract on?

Alderman Clemons

I came into the discussion half way in. I apologize for that, but are you talking about the discrepancy between the average annual total compensation and the average annual increase per employee?

Alderman Flynn

The average annual total compensation package, the very bottom line, I can't get that number from any of the detail above it. What I am saying I think the real cost of this contract is the section right above that is total cost over a period at status quo. That is comparing it to the \$1,042,000 that you started with. That is why the \$30,965 works for both, and the \$69,000 is really the \$30,000 plus the \$39,000. Those two tie together nicely for me. Everything ties together except for the bottom line.

Alderman Deane

It looks like he did averages in some areas and totals in others.

Alderman Flynn

But no matter what I do I can't get \$938 and \$1,178 as the average annual increase per employee. I am saying I think the committee is really disregarding that section are they not? Using the data above it. I think the data above it looks real to me. That data I can't substantiate.

Alderman Tabacsko

Could it be that that \$938 and the \$1,178 are the per employee actual wage, the amount of wage increase the average employee on this contract will recognize? Wage only, not total city cost.

Chairman McCarthy

That would make sense.

Alderman Tabacsko

Reflected in that line above, which is the ...

Alderman Deane

But it says average.

Alderman Tabacsko

It does. You are absolutely right.

Alderman Deane

So it is not a total if it is an average.

Alderman Flynn

And the line above it says average annual total compensation package. I wasn't really trying to debate the contract I just wanted to say that is the number I am using to evaluate the contract and I think that is the number that the committee is using. If you use that number you will be misreading I think what the value of the contract is.

Alderman Clemons

I think Alderman Tabacsko is right as far as that line. I think it is gross pay. I think it is easier found on I think it is from page 31, which is the wage schedule A. If you look at that and you look at the column 1% pay increase and 1.5% COLA. It looks like those averages would equal out to what that average annual increase per employee.

Alderman Deane

That is gross though. That is not after taxes.

Alderman Clemons

They are both gross; scheduled A and ...

Alderman Deane

But you are saying the \$938 is what? I thought you said take home.

Alderman Clemons

The average gross pay.

Alderman Tabacsko

No.

Alderman Clemons

No it would be their gross pay.

Alderman Tabacsko

But it would be just wages not total cost to the city. It doesn't include benefits.

Alderman Clemons

Right.

Alderman Teeboom

Is the total cost of this contract \$2,185,000?

Alderman Deane

Yes.

Alderman Flynn

I say it is

Alderman Teeboom

Is that what we are after? That is really the only thing that we should really care about and just ignore what the average pay is and let the Chief worry about it. What I worry about is the cost of the contract.

Alderman Deane

As Alderman Flynn suggested earlier, disregard the darkened area, the columns down below, and look at the total. The total is up above.

Chairman McCarthy

The motion is to recommend final passage.

MOTION CARRIED

NEW BUSINESS – ORDINANCES

O-09-77

Endorser: Alderman-at-Large Fred S. Teeboom

AMENDING THE ORDINANCE ON COMPENSATION TO MEMBERS OF THE BOARD OF ALDERMEN

Chairman McCarthy

I would suggest that given the responsibility of this committee is to deal with changes in the costs associated with the budget, that we table this until the Personnel Committee has taken action on the actual language of the change.

MOTION BY ALDERMAN TABACSKO TO TABLE

ON THE QUESTION

Chairman McCarthy

I am going to allow some discussion beforehand since there is...

MOTION WITHDRAWN

Alderman Teeboom

I have an amendment to offer, but if you want to table it, it is okay with me. This has no urgency that has to be immediately acted on, but I do have an amendment to offer and I wanted to mention also the language in the Charter. If you want to table it I certainly have no problem.

Chairman McCarthy

I would rather see the Personnel Committee deal with the language of how the compensation is going to be structured and then we can look at the cost that results in.

MOTION BY ALDERMAN TABACSKO TO TABLE O-09-77

MOTION CARRIED

Alderman Tabacsko

I did want to update the committee. On the table, R-09-190, I am not going to make any motion on that, but I just wanted to let the committee know I spoke with Assistant Chief Anderson this evening and that, as you recall, was an attempt to secure grant funding. There have been some

issues with that, and it does not look very favorable for that to ever get done. However, there is still, after discussion with the chief, he is suggesting let's leave it on the table. If all of the gods line up and the moon and the stars and we get an opportunity to get this we can act on it. Otherwise it will expire with the term. If that happens that is what is going to happen. It is very unlikely that we are going to get this money, but there is still an outside chance. So we will just leave it on the table if that is alright with everyone.

Alderman Teeboom

This is a donation. Can you tell us what is the complication? We can't accept money because there are too many strings attached?

Alderman Tabacsko

Yeah. It is a combination of strings and misunderstandings and misinterpretations I think.

Alderman Teeboom

That is a lot.

TABLED IN COMMITTEE

R-09-190

Endorsers: Mayor Donnalee Lozeau
Alderman Michael J. Tabacsko
Alderman Marc W. Plamondon
Alderman Jeffrey T. Cox
Alderman-at-Large Ben Clemons
Alderman-at-Large Lori Wilshire
Alderman David MacLaughlin
Alderman-at-Large David W. Deane
Alderman-at-Large Brian S. McCarthy
Alderman Paul M. Chasse, Jr.

**ESTABLISHING AN EXPENDABLE TRUST FUND TO ACCEPT A DONATION
IN THE AMOUNT OF \$24,144 FROM BAE SYSTEMS FOR THE PURPOSE OF
FUNDING EQUIPMENT FOR NASHUA FIRE RESCUE**

R-09-227

Endorser: Alderman-at-Large Fred S. Teeboom
**ORDERING AN ACROSS-THE-BOARD PERCENTILE CUT IN THE FY2010 ANNUAL
BUDGET OF EVERY CITY DEPARTMENT IN ACCORDANCE WITH NASHUA CITY
CHARTER §56-f**

R-09-212

Endorsers: Alderman Jeffrey T. Cox
Alderman Michael J. Tabacsko
Alderman-at-Large Brian S. McCarthy
Alderman-at-Large Lori Wilshire
Alderman-at-Large Ben Clemons
Alderman Marc W. Plamondon

**ESTABLISHING AN EXPENDABLE TRUST FUND FOR THE PURPOSES OF
PURCHASING EQUIPMENT, SERVICES AND PRODUCTS TO MAINTAIN THE UPPER
ATHLETIC FIELD AT NASHUA HIGH SCHOOL NORTH AND TO APPROPRIATE
\$452,991.96 FROM CAPITAL PROJECT FUND 781-3773 "NASHUA SENIOR HIGH
SCHOOL NORTH PROJECT" INTO THE EXPENDABLE TRUST FUND**

ADJOURNMENT

**MOTION BY ALDERMAN TAMPOSI TO ADJOURN
MOTION CARRIED**

The meeting was declared closed at 8:35 p.m.

Alderman-at-Large Ben Clemons
Committee Clerk